

## Message Text

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ACTION EB-07

INFO OCT-01 AF-08 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 DODE-00 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /107 W

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FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 8663

USDOC WASHDC

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E.O. 11652: N/A

TAGS: BENC, ENRG, NI

SUBJECT: MAJOR PROJECTS: PETROCHEMICALS, FERTILIZER, REFINERIES

REFC (A) 76 LAGOS 14425 (B) 76 LAGOS 13529 (C) 76 LAGOS 04721

(D) LAGOS 00114 (ALL NOTAL)

1. EMBASSY VISITED JANUARY 14 BY JACK L. DUKE, SALES MANAGER, FLUOR EUROPE, HAARLEM, HOLLAND. DUKE SAID HE VISITING NIGERIA TO SUBMIT FLUOR'S QUALIFICATIONS FOR PROJECT MANAGEMENT CONTRACT ON PETROCHEMICAL COMPLEX (BECHTEL'S INTEREST IN SAME CONTRACT REPORTED PARA TWG REFTEL A). PROJECT MANAGEMENT WOULD COVER BOTH ETHYLENE PLANT AND DOWNSTREAM PROCESSES LIKE PVC. DUKE SAID FLUOR, THOUGH INTERESTED IN JOB, IS FRANKLY NOT CONSIDERED ONE OF THE QUOTE ETHYLENE CLUB UNQUOTE, WHICH INCLUDES LUMMUS, KELLOGG, STONE AND WEBSTER, AND C.F. BRAUN. FLUOR LICENSES PROCESS TECHNOLOGY FOR ETHYLENE FROM KTI OF HOLLAND.

2. DUKE SAID WHAT HE HEARS FROM VARIOUS SOURCES INDICATES COMPLETE LACK OF PROGRESS IN FINDING JOINT VENTURE OPERATING  
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PARTNERS FOR PETROCHEMICAL PROJECT. DUKE SAID HE HAD HEARD FMG MAY DECIDE TO PROCEED WITH UPSTREAM ETHYLENE CRACKER ON ITS OWN BEFORE JOINT-VENTURE PARTNERS FOR DOWNSTREAM PROCESS ARE LINED UP. DUKE BELIEVES BEST APPROACH FOR FMG WOULD BE TO CONCLUDE TWO TO FIVE YEAR MANAGEMENT CONTRACT WITH ONE OF TOPMOST ETHYLENE PLANT OPERATING COMPANIES IN WGRLD LIKE SHELL, DUPONT, OR DOW. IF OPERATION OF ETHYLENE CRACKER COULD BE ASSURED, HE FELT IT

MIGHT INDUCE COMPANIES LIKE F.F. GOODRICH TO TAKE THE PLUNGE ON INVESTING IN DOWNSTREAM FACILITIES. DUKE CONSIDERED DOW MIGHT BE MOST APPROACHABLE ON THIS IN VIEW OF RECENT SELECTION OF NEW PRESIDENT WITH REPUTATION AS AGGRESSIVE ENTREPRENEUR. EMBOFF VENTURED OPINION IT MIGHT BE GOOD IDEA INVESTIGATE PUTTING TOGETHER CONSORTIUM TO ATTACK WHOLE PETROCHEMICAL COMPLEX, INCLUDING PROJECT MANAGER LIKE FLUOR, ETHYLENE PLACT MANAGER LIKE DOW, EQUITY PARTNERS IN DOWNSTREAM PROCESS LIKE B.F. GOODRICH, AND LOCAL OIL INDUSTRY CONSTRUCTION FIRMS WPO ALREADY HAVE ESTABLISHED LOGISTICS BASES AND CLEAR IDEA OF LABOR COSTS AND AVAILABILITY. DUKE SAID HE KNOWS APPROPRIATE OFFICIAL IN DOW AND WILL EXPLORE IDEA ON RETURN TO HOLLAND.

3. IN ADDITION TO PETROCHEMICAL COMPLEX, DUKE SAID FLUOR ALSO INTERESTED IN LOOKING INTO LNG CONSTRUCTION OPPORTUNITIES ON LNG AND FERTILIZER PLANTS. DUKE SAID HE HAD BEEN TOLD FMG ON VERGE OF AWARDDING FERTILIZER PROCESS CONTRACT TO UKF OF HOLLAND (REFTEL C REPORTED AWARD EXPECTED END 1976). DUKE BELIEVES THIS COMPANY IS UNIE VAN KUNSTMESTFABRIEKEN B.V. OF UTRECHT, ALSO KNOWN AS ALBATROSS (A FIRM WHICH WON SHARE OF RECENT OPERATION FEED THE NATION CONTRACT FOR IMPORT OF 240,000 TONS FERTILIZER TO NIGERIA IN 1977).

4. RE KADUNA REFINERY CONTRACT AWARD (SEE REFTTEL D), DUKE SAID MINISTRY PETROLEUM RESOURCES HAD NEVER NOTIFIED FLUOR/ THYSSSEN GROUP IT OUT OF CONTENTION, NOR HAD BE BEEN ABLE TO GET CLEAR ANSWER FROM FMG CONSULTANTS KING-WILKENS ON IN THE HAGUE. DUKE SAID FLUOR/THYSSSEN SUBMITTED COSTLIER BID THAN EITHER TECHNIP/TECHNIPETROL OR CHIYODA, AND HE BELIEVES FMG SIMPLY LIMITED OFFICIAL USE

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KEEPING FLUOR/THYSSSEN DANGLING IN RESERVE IN CASE NEEDED. DUKE HAD HEARD JAPANESE (CHIYODA) OFFERED FMG SWEETENER IN FORM OF OFFER TO FINANCE KADUNA AT VERY LOW INTEREST RATE,OR ALTERNATIVELY TO ACCEPT PAYMENT IN FULL IN CRUDE OIL, AT NORMAL OPEC PRICE WITHOUT DISCOUNT.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTS, FERTILIZERS, REFINERIES, PROGRAMS (PROJECTS)  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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